



玖龍紙業(控股)有限公司
NINE DRAGONS PAPER (HOLDINGS) LIMITED

For Immediate Release

18 June 2007

**Nine Dragons Machinery Supplies Limited
HK\$2.3 Billion Syndicated Loan**

(Hong Kong, 18 June 2007) Nine Dragons Paper (Holdings) Limited (“NDP”, Stock code:2689) is pleased to announce that NDP has entered into an agreement today with 16 banks in relation to the HK\$2.3 billion syndicated loan (the “Syndicated Loan”) to Nine Dragons Machinery Supplies Limited, which is guaranteed by NDP and eight of its subsidiaries (the “Group”). The Syndicated Loan is well received by the market and had an oversubscription of approximately 60% at both the underwriting and general syndication stages.

This 5-year Syndicated Loan is the second syndicated loan raised by NDP, and it carries a competitive interest rate of HIBOR plus 45 basis points. The proceeds of the Syndicated Loan will be used to finance the future capital expenditure of the Group.

Ms. Cheung Yan, the Chairman of NDP, said at the signing ceremony: “Following the signing of the syndicated loan agreement amounting to US\$350 million in September 2006, Nine Dragons successfully completed its share placement and new share subscription in April 2007, with proceeds of approximately HK\$2 billion. Today’s signing of the syndicated loan agreement on HK\$2.3 billion, again, highlights the supports of the banking industry to us, laying a more solid foundation for the future growth of Nine Dragons. We are expanding our production capacity in parallel with the increasing demand in the packaging paperboard market of China. Our annual production capacity will be increased to 7.75 million tonnes by mid-2008, to 10.15 million tonnes by mid-2009, and we are expected to become the world’s largest packaging paperboard manufacturer. In the coming months, we shall announce on our plan for the 4th production base located in northern China. Our new product, light weight high performance corrugating medium, will be launched next year. Our target of expanding upstream into the pulp resources business will also materialize within 3 years. With strong funding support, we shall continue to invest to further enhance our economies of scale, and create better returns for our investors.”

This press release is issued by Wonderful Sky Public Relations & Financial Consultant Co., Ltd. on behalf of Nine Dragons Paper (Holdings) Limited.

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